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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000571

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TAGS: [PGOV](#) [TW](#)

SUBJECT: FORMER PREMIER SU TSENG-CHANG DISCUSSES DPP  
POLITICS AND CONCERNS THE KMT MAY TILT TOWARD CHINA

Classified By: AIT Director Stephen M. Young,  
Reasons: 1.4 (b/d)

¶1. (C) Summary: Former Premier Su Tseng-chang told the Director on April 24 that former Vice Premier Tsai Ing-wen hopes to win the May 18 DPP chairperson election by a wide margin in order to have a strong mandate. The party needs to first focus its attention on restoring its former reputation for clean government and trustworthiness, Su said. In addition, the DPP needs to reduce its emphasis on Taiwan identity and increase its appeal to young people on economic and other issues. The DPP can recover quickly if it succeeds in reform and makes a stronger showing in the 2009 local elections than it did in the recent presidential contest. Su expressed concern that President-elect Ma Ying-jeou and the incoming KMT government may tilt too quickly and too far toward China. End Summary.

¶2. (C) On April 24, the Director discussed Taiwan politics with Su Tseng-chang, former premier and the DPP's vice presidential candidate in the March 22 presidential election. DPP International Affairs Director Bikhim Hsiao accompanied Su. The Director congratulated Taiwan for holding a smooth and peaceful election, a reflection of maturing democracy. Su noted that the DPP had accepted the election results, congratulated the winners, and focused on an internal review rather than criticism of the KMT. This was quite unlike the KMT's supporters, who in 2000 and 2004 had protested and caused turmoil because they were disgruntled with the election results. Recalling that he had told the Director in a previous meeting that President Chen would produce no surprises in the period between the election and the inauguration of the new president on May 20, Su said he had felt safe in making this prediction because of his confidence in the maturity of Taiwan's democracy.

¶3. (C) The major election defeats suffered by the DPP provide the party an opportunity to start again from scratch, Su suggested. On May 18, the DPP will elect a new chairperson, who will have a great influence on the future of the party. If the new chairperson succeeds in reform efforts and the DPP makes a strong showing in the 2009 local elections, the party will recover quickly. Conversely, poor performances by the chairperson and party would have a negative effect on DPP prospects in the 2012 LY and

presidential elections. Currently, the DPP holds 6 of the 25 city and county seats up for election in 2009. If the DPP nominates strong candidates and can cut the 17 percentage point margin by which the KMT won the March 22 presidential election, then the DPP will again have hope.

14. (C) The DPP's presidential candidate in 2012 will also be very influential, Su observed. The DPP will need a "rising star" who can appeal to voters and compete with Ma Ying-jeou and the KMT. However, it will be difficult for the DPP to win the 2012 presidential election, Su acknowledged, explaining he did not expect the rather cautious Ma Ying-jeou to do a very poor job as president. Even if the KMT botches the job, the DPP would have to succeed in its reforms to have an opportunity. Nonetheless, Su pointed out, politics is unpredictable.

15. (C) Acknowledging that a number of people had worked to persuade former Vice Premier Tsai Ing-wen to run for party chairperson, Su pointed out that she agreed to join the race because she wanted the position. Her lack of experience in party work will be an asset as well as a shortcoming, he suggested. Although her prospects look good, she will need to be careful because legislative Yuan (LY) member Trong Chai, who is supported by former DPP Chairman Yu Shyi-kun, is actively working to boost his chances to win the position. The three-way contest will be decided by the election on May 18, not through a brokered consultation process, Su predicted, explaining that Tsai Ing-wen wants to win the election by a wide margin to strengthen her mandate as future chairperson. The new chairperson will have a heavy responsibility as well as a good opportunity, Su noted. Although Tsai will be viewed as the party's savior if she does well, she will be blamed if the party does poorly.

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16. (C) If carefully managed by the DPP chairperson, the party's factions can cooperate and compete in a benign way, Su said. Problems arise, however, if the chairperson tolerates inter-factional struggle or even uses one faction against another. The new chairperson will need to stay on top of the situation and exercise good judgment in order to prevent inter-factional struggle. Su said the two most important reforms the party must undertake are to restore its reputation for being Taiwan's clean party, in contrast to the KMT, and to restore its reputation for being trustworthy.

17. (C) Su noted that Taiwan identity now enjoys wide public acceptance. This is reflected in the fact that all presidential candidates, including Ma Ying-jeou, now have to emphasize Taiwan identity. One reason for the DPP's election defeats is that it has overplayed this theme, trying to claim an exclusive right to Taiwan identity. Although young people believe Taiwan is a sovereign independent country, they do not care whether it is called the Republic of China or Republic of Taiwan. They are more concerned about the economy and their own futures. Rather than arguing all the time about Taiwan identity, the DPP needs to appeal to young people. Su noted his support for Bihim Hsiao's recent comments in an internal meeting that the DPP should have confidence and develop a more inclusive concept of Taiwan identity that would allow different people to show their love for Taiwan in their own ways.

18. (C) Among the senior generation of DPP leaders, Chen Shui-bian will continue to have the most influence because of the help he has given over the years to many DPP LY members and local party people, Su suggested. Frank Hsieh is also continuing to operate politically, despite his words about withdrawing from politics. By not resigning the party chairmanship after the presidential defeat, Hsieh has broken party tradition, Su added. Yu Shyi-kun is also trying to increase his influence. Su expressed some disappointment that none of the DPP mayors, magistrates, or LY members, who represent the next generation of potential leaders, had been

willing to join the election for party chairperson. Despite being lobbied, Kaohsiung County Magistrate Yang Chiu-hsing had declined to run on the grounds that he did not carry enough political weight.

¶9. (C) Su suggested the DPP should give the KMT cabinet a chance and not criticize it at this stage. However, he added, Ma missed an opportunity by not reducing the size of the cabinet. The need to streamline the cabinet been studied for many years, and there is general agreement on issue. While Ma could have accomplished this before making appointments, it will now be more difficult. Ma is at his strongest now, but his power will gradually weaken as he makes concession under pressure from within his own party. Su cited the examples of Ma's failure to secure an appropriate government post for Taiwanese campaign team member Chan Chi-hsien, and his failure to separate the government and the KMT by not insisting that government officials should leave their high-level party positions.

¶10. (C) Su asked whether the U.S. might worry that the Ma Ying-jeou administration could move too quickly and tilt too far toward China. While there no concerns about Taiwan being too pro-China under Presidents Lee Teng-hui and Chen Shui-bian, the situation has now changed. Su noted Ma has been saying a great deal, very early, about relations with China. Furthermore, Ma's views differ from public opinion. Although the people of Taiwan believe Taiwan is a sovereign country, Ma says the Republic of China still includes the mainland, except Mongolia.

¶11. (C) Su described the story of the short-lived 1895 Taiwan Republic to illustrate his concerns about Ma and the KMT. After China ceded Taiwan to Japan but before the arrival of the Japanese in 1895, the people of Taiwan, who wanted self-rule, sought help from China and established a Taiwan Republic, which even had its own postage stamps, flag, and official seal. However, when the Japanese landed, the Taiwan Republic President Liu Yung-fu fled back to China.

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This was an early bitter experience of the government selling out the people of Taiwan, Su maintained. The fear now is that the KMT government, attracted by China's power and huge market, will sell out Taiwan to the PRC.

¶12. (C) The Director stressed that the U.S. has confidence in Taiwan's democracy and that Taiwan's leaders will have to take public opinion into account as they craft cross-Straits and other policies. The Director asked about Su's views on Vice President-elect Vincent Siew's recent meeting with PRC President Hu Jintao at the Boao Forum. It was good to have dialogue, Su said, but he criticized Siew for using a PRC-issued Taiwan Compatriot Travel Document. Although Hu's words toward Taiwan sound pleasant, the problem lies in Beijing's "principles."

Comment  
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¶13. (C) Su, who was relaxed and in good spirits, said he plans to travel both domestically and internationally over the coming months, including to the U.S. but not to China, in order to learn more. Tsai Ing-wen served as vice premier when Su was premier, and Su clearly backs her candidacy for the party chairperson position. At this early stage, Su is the most likely prospect to become the DPP presidential candidate in 2012. Ma's incumbency will probably make 2012 a very difficult contest for the DPP to win. Nonetheless, the DPP will need a strong and credible performance in 2012 to maintain its support base and boost its prospects in 2016 and beyond. In a side conversation, Bikhim Hsiao confirmed that she plans to take a "sabbatical" and travel, leaving her current position as DPP International Affairs Director.

YOUNG